



**CITY OF SUNNYVALE
REPORT
Planning Commission**

June 26, 2006

SUBJECT: **Jay Paul Development Company** [Applicant]: Application for Special Development Permit on a two-acre site to allow an additional 2,930 square feet of restaurant square footage within an existing 20,150 square foot retail center. The project is located at **415 N Mary Avenue** in C-1/PD (Neighborhood Commercial Planned Development Zoning District (APN: 165-32-009):

Motion: Special Development Permit to allow up to 60% of the gross floor area of a shopping center as restaurant.

REPORT IN BRIEF

Existing Site Conditions Retail Center

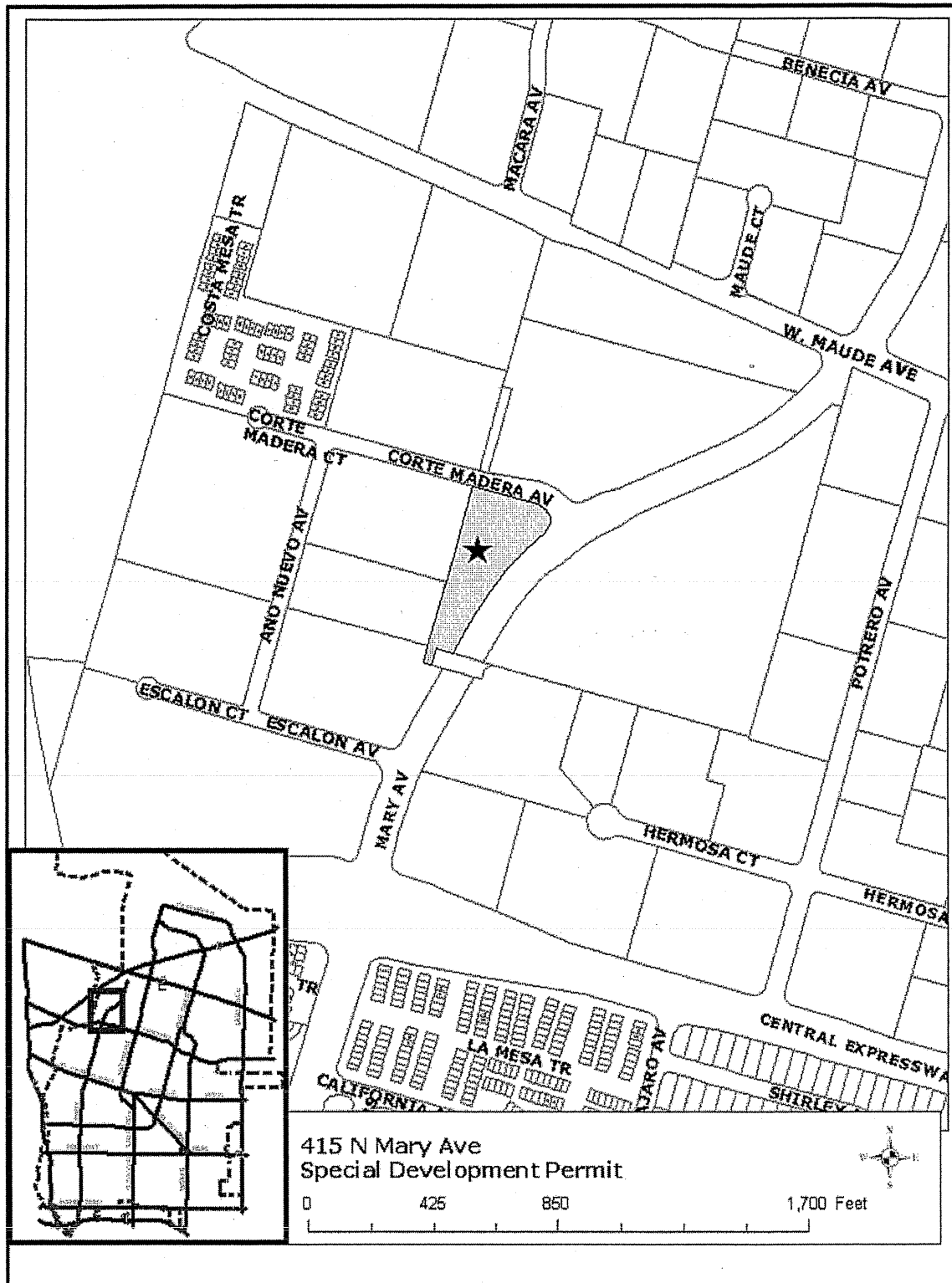
Surrounding Land Uses

North	Office and Park
South	Apartments
East	Office
West	Apartments

Issues Parking

Environmental Status A Class 1 Categorical Exemption relieves this project from California Environmental Quality Act provisions and City Guidelines.

Staff Recommendation Deny the Request



PROJECT DATA TABLE

	EXISTING	PROPOSED	REQUIRED/ PERMITTED
General Plan	Commercial-Neighborhood	Same	Commercial Neighborhood
Zoning District	C-1/PD	Same	C-1/PD
Lot Size (s.f.)	90,169	Same	None
Gross Floor Area (s.f.)	20,150	Same	None
Gross Floor Area of Proposed Tenant	2,914	2,914	
Existing Gross Floor Area Restaurant	9,338	12,252	
Lot Coverage (%)	22.3%	Same	35 % max.
Parking			
Total Spaces	110	110	Per SDP
Standard Spaces	97	97	98 min.
Compact Spaces/ % of Total	8	8/8%	11/10%max.
Accessible Spaces	5	5	5 min.
Aisle Width (ft.)	26	26	26 min.
Bicycle Parking	Unknown	Unkown	4 Class II Min. VTA Guidelines



Starred items indicate deviations from Sunnyvale Municipal Code requirements.

ANALYSIS**Description of Proposed Project**

The applicant proposes to allow convert existing vacant retail tenant spaces to restaurant square footage within an existing neighborhood shopping center. The shopping center is designed around and intended to serve the surrounding employee population for the area. A Special Development Permit is required as a change to the previously approved Special Development Permit, which established the current restaurant allowance for the shopping center.

Background

The retail center was originally developed as part of a larger project that provided three office buildings adjacent to the site along with the shopping

center. The shopping center was a required element of the office development to provided needed support services to the area. The site has a long history in regards to restaurant tenant mix for the site.

The following table summarizes previous planning applications related to the subject site.

File Number	Brief Description	Hearing/Decision	Date
2000-0133	Outdoor rest. seating	Staff/Approved	3/29/2000
1994-0270	Add 1,200 sq. ft. rest.	Admin/Approved	8/10/1994
1991-0189	1,400 sq. ft. rest. and separate allowances of four fixed seats for a take-out establishment	CC/Approved	8/20/1991
#6662	5,000 sq ft restaurant (2,400 approved)	CC/Denied	9/12/1989
#6341	Develop three office buildings and retail center	Staff/Approved	7/26/1988

Environmental Review

A Class 1 Categorical Exemption relieves this project from California Environmental Quality Act provisions and City Guidelines. Class 1 Categorical Exemptions include use of existing facilities. The proposed deviation to total parking does not impact the original environmental analysis of the shopping center design.

Special Development Permit

Site Layout: The site is designed with a single building placed against the west property line closest to the existing apartment building. Parking is situated between the building and the public streets of Mary Avenue and Corte Madera Avenue. Three points of vehicular access are provided to the site, one from Corte Madera and two from Mary Avenue. One exclusive pedestrian connection is provided to the corner of Corte Madera Avenue and Mary Avenue.

The existing restaurants occur throughout the building and are not concentrated in any one area of the building. In front of the building on the Mary Avenue side there is a patio area at the north quarter of the building where some tenants provide informal outdoor seating for patrons.

No physical changes to the layout of the site or configuration of improvements are proposed by the applicant. Staff has included a condition requiring a four-foot walk be provided alongside of the Corte Madera driveway to provide more convenient and safer pedestrian access to the site if the project is approved.

Parking/Circulation:

At the time the project was developed 1 space per 180 square feet was the minimum parking ratio for a retail center and was also the amount provided. Originally the project had 114 spaces at the time of development, which were reduced over time due to increasing the accessible parking spaces for the site. Currently there is a supply of 110 parking spaces include the 5 accessible spaces. Since the center was originally approved, the parking rate for a 20,000 square foot shopping center has been modified to a minimum of 1 space per 200 square feet. Both the previous parking standard and the current parking standard allow for 10% of the total floor area to be restaurant uses, but require any additional square footage to be reviewed as a planning permit to determine compatibility.

Mary Avenue Retail Center Occupancy July 1, 2006

Space#	Name	Size	Occupied 7-1-06	Type of Use
101	VACANT	930	-0-	Formerly take out
102	VACANT	533	-0-	Proposed rest.
103	Taylor Tax Services	578	578	General retail
106/107	VACANT	2,381	-0-	Proposed rest.
110	Central Cleaners	1,497	1,497	General retail
112	West Valley Postal Express	913	913	General retail
113	I Joy Salon (<i>opens July 1st</i>)	1,431	1,431	General retail
115	MNQ Market and Liquor	1,927	1,927	General retail
114	Mary Dental Office	1,395	1,395	General retail
104	Sushi Club	800	800	Restaurant
105	Subway Sandwiches	819	819	Take Out
108	Pot Belly Deli, Inc.	1,200	1,200	Restaurant
109	Jamba Juice Company	1,223	1,223	Take Out
111	Round Table Pizza	2,398	2,398	Restaurant
117	Senor Jalepeno	2,125	2,125	Restaurant
Total		20,150	16,306	Occupied (81%)

Summary of July 1st Occupancy

Use	Sq. Ft.	% Total	Notes
Restaurant	6,523	32%	
Take Out*	2,953	15%	Includes vacant "former take out space"
Medical	1,395	7%	
General Retail	6,346	31%	
Vacant General	2,914	14%	Vacant, proposed as restaurant

*traditionally take out does not allow for seating; however some take out currently has limited seating per previous Special Development Permit

Applicant Discussion: The current tenant situation on the site includes a high amount of vacant square footage in the range of 20%. The applicant believes through leasing discussions that the primary interest by the market is for

additional restaurant square footage despite the high ratio that currently exists. The applicant has two main contentions to support the desire for more restaurant area. The first is the targeted market of the daytime business population that surrounds the site. The principal service need for this market is lunchtime support, primarily food establishments. The same lunchtime mixture of uses provides some services to the nearby residential uses, but not at the same demand level as during the daytime for office uses. To support the surrounding market they believe additional restaurant space is necessary in the shopping center.

Secondly, the applicant believes that additional restaurant space will have minimal parking impacts based on the high percentage of visitors that patronize the site by walking as compared to other retail centers in the city. They also believe that increasing the restaurant square footage will not significantly increase vehicle traffic to the site because the market capture for this center is limited to the current customer base that is nearby. This market limitation is due to access to the site from surrounding industrial areas and competing businesses throughout the city. Therefore, according to the applicant the supply of more restaurants on this site will not significantly expand the market area out a further distance that would require customers to drive to the site, it would primarily provide more diversity of choices for the current market area.

The applicant has also provided a parking study that assessed rates of utilization to determine if additional restaurant space could be accommodated on site (Attachment D). The study reviewed the site on six separate occasions in the spring of 2006. The observed usage of the parking was an average of 79 spaces during the peak hour of utilization with a maximum observation of 91 spaces occupied. The Peak hour was between 12:30 and 1:30 in the afternoon for all days. An evening analysis was also completed, but its demand level for the center was significantly lower than the lunch period. It is important to note that at the time of the study approximately 27% of the tenant spaces were vacant as compared to the July 1st rate of 20% vacancy. Staff believes because of the vacancy rates parking utilization needs to be taken in context of the center not operating at full capacity and that there should in fact be empty spaces because of the vacancies. A second factor that has changed from the study is the size of the square footage request as restaurant. The consultants conclusions were based on roughly 2,381 square feet of additional restaurant versus the current request of 2,930 square feet.

The question remaining for the study is then how many additional spaces would be utilized if the vacant tenant space was converted to 2,930 square feet of restaurant uses. The study concluded that current levels of use (per the existing tenant mix) allowed for 2,381 square feet of additional restaurant uses without exceeding the on-site parking supply. The consultant assigned 15 spaces or a rate of 1 space per 158 square feet for the potential additional restaurant square footage.

Staff Observation: Staff conducted a single sample observation of the subject site on the warm and sunny Wednesday, May 24, 2006 between 11:55 AM and 12:25 PM. At this point in time the vacancy rate was the same as the consultant's observations at 27% vacant. A single observer was present to monitor all parking areas and access points. Staff also counted pedestrians entering the site in addition to vehicles. At the time of arrival, before noon, 52 parking spaces were occupied. At the end of the survey at 12:25 PM 94 spaces were occupied. This meant 16 spaces were unoccupied during the peak of observation. Total trips in and out were not calculated per the observations. Generally arrivals and departures happened on regular basis of 3-5 minutes.

The total pedestrian visits to the site was 65 persons. The pedestrian visitors approached from the corner access point (office traffic), as well as from the west along Corte Madera Avenue. Staff's hypothesis for the Corte Madera visitors, which is primarily the direction of the residences rather than offices, was that individuals were coming from the park area to get lunch and returning to the park for lunch or activities. Although street parking was not thoroughly monitored on Corte Madera, staff's impressions were that 12-15 additional cars parked on the street after staff's arrival resulting in a total of 50-60% usage of on-street capacity for that block. No on-street parking for Mary Avenue is permitted. Staff is not suggesting that all of these vehicles were in fact indirect trips to the shopping center.

Staff observations reinforce the parking study observations as a whole that parking utilization was in the magnitude of 90 spaces with a 27% shopping center tenant vacancy rate and that a significant number of people do in fact walk to the site.

The circulation of the site relied heavily upon its Mary Avenue entrance at the middle of the building. Traffic would enter the site with a slight tendency to turn left to find parking; where as the trips from Corte Madera Avenue would park in the northern section of the site near that driveway. At times cars entering from Mary Avenue would stack out into Mary Avenue trying to enter the site as vehicles maneuvered in the parking lot. Pedestrian circulation was distributed generally as 2/3 of the foot traffic from the corner and 1/3 from Corte Madera. Because of the high level of foot traffic staff has included a condition of approval, if the application is approved, to provide a four-foot sidewalk along the Corte Madera driveway to separate vehicles and pedestrians.

The final piece of the parking puzzle is looking at opportunities to increase parking supply. The applicant and staff have reviewed this option and concluded it is not feasible to provide additional parking. The percentage of compact spaces is only one space short of the maximum and without a deviation to percentage of compact spaces there is no way to increase supply significantly. Due to the high turnover nature of this retail center staff is not

recommending an increase of supply by deviating from the percent of parking spaces as compact as these spaces become over used by regular sized vehicles.

Compliance with Development Standards/Guidelines:

This site meets the definition of "shopping center" as it is a group of commercial establishments planned constructed and managed as a total entity. The change in previously established SDP limits of uses for the site requires the review of compatibility and evaluation primarily of the parking for the site. The Special Development Permit allows for variations in methods of calculating parking considering the appropriate context of the individual shopping center and its composition of uses without necessarily requiring a deviation based on stand-alone parking rates of Title 19. However, a deviation is requested as part of this permit due to the fact that the standard methods of calculating parking and conclude that more demand would be created than supply exists with the proposed change of the general retail tenant spaces to restaurant. The current mix of uses does not lend itself to trade off of peak hours of use at different times of the day.

Title 19 Parking Comparisons

Use	Sq Ft	% Total	Notes	Title 19 Parking Assume Rest.	Title 19 Parking Assume Retail
Restaurant	6,523	32%		59 Spaces at 1/110	59 Spaces at 1/110
Take Out*	2,953	15%	Includes vacant "former take out space"	27 Spaces 1/110*	17 Spaces at 1/180*
Medical	1,395	7%		8 Spaces at 1/180	8 Spaces at 1/180
General	6,346	31%		35 Spaces at 1/180	35 Spaces at 1/180
Vacant General	2,930	14%	Vacant, proposed as restaurant	27 Spaces at 1/110	16 Spaces at 1/180
			TOTALS:	156	135

*traditionally take out does not allow for seating; however some take out currently has limited seating

Study Calculation Comparison

Assuming a baseline demand of 90 parking spaces from the parking studies and staff's observation at 27% vacancy, a demand of 1 parking space per 150 square feet per new and currently vacant restaurant uses (3,844 sq. ft.) equals a demand of 26 parking spaces and the remaining 1,430 square feet of new retail (I Joy Salon) demand for 10 parking spaces resulting in site specific extrapolation for a total demand of 126 parking spaces where 110 are provided. For comparison of the calculated study rates and Title 19, at full occupancy of 60% restaurant and 40% general retail, the parking ratio for restaurant would be 1 space per 150 square feet and for retail a rate of 1 space per 260 square feet to calculate out to exactly 110 parking spaces that are provided on the site.

The applicant has presented a traffic study in support of the deviation request that additional restaurant space will not materially impact the supply of parking on the site due to the limited market appeal of the site because the calculated rates are not likely to in fact be that high because of the type of

market the site serves. Staff notes that at the assumed baseline of 90 spaces and factoring in 1 space per 200 square feet as the basic Title 19 shopping center ratio, the remaining vacant tenant space square footage would calculate out to total shopping center demand of exactly 110 spaces.

Expected Impact on the Surroundings: The additional restaurant uses impact on adjoining sites, if there is inadequate parking supply, will be the usage of on-street parking along Corte Madera or potentially unauthorized persons parking in nearby office building parking lots. City policy is to use on-street parking supply for general visitors to an area and is not intended to supplement a commercial use's parking supply within a neighborhood context as is this site's situation. Indirectly, if the shopping center is not supported or appealing to the employees of the surrounding businesses they may be inclined to drive to another destination within the city creating additional vehicle trips during the lunch time hours.

Fiscal Impact

No fiscal impacts other than normal fees and taxes are expected.

Public Contact

No comment from the public has been received.

Notice of Public Hearing	Staff Report	Agenda
<ul style="list-style-type: none">Published in the <i>Sun</i> newspaperPosted on the site470 notices mailed to property owners and residents adjacent to the project site	<ul style="list-style-type: none">Posted on the City of Sunnyvale's WebsiteProvided at the Reference Section of the City of Sunnyvale's Public Library	<ul style="list-style-type: none">Posted on the City's official notice bulletin boardCity of Sunnyvale's Website

Conclusion

Staff does not believe at this time it is prudent to permit additional restaurant square footage due the calculated deviation of parking demand versus supply. In fact, the observed baseline of 90 spaces with all vacant space assumed as retail calculates out to the actual supply with a demand of 110 spaces where 110 is provided.

Staff does not support the request for additional restaurant square footage due to the difficulty of projecting the success of future restaurants at the site and their impact to the parking demand for the site. Staff is concerned that with the current state of the office market that the demand level for parking on the

site would increase as the office vacancy rate decreases, meaning the current condition of the center may be misleading taken in a broader view. Additionally, existing businesses or operators themselves change overtime and their level of success could also fluctuate with no other changes to the mix of uses on the site thereby impacting the demand for parking at the site.

As a comparison of other recent new retail center developments, the maximum restaurant percentage permitted by the Planning Commission has been 30% where as the proposed percentage is 60%. Although there is a higher walking customer base at the subject site than the 30% restaurant retail sites in Sunnyvale, Staff does not believe that the pedestrian trip split completely compensates for a significant deviation to the calculated parking demand.

Staff is most concerned in the end about the functionality of either absolute full utilization of the all parking spaces as calculated or if in fact overflow of parking occurs due to increased demand. The potential safety implications of cars stacking out into public streets waiting or searching for parking is the greatest potential problem with inadequate parking on site.

Findings and General Plan Goals: Staff is recommending denial for this project because the Findings (Attachment A) were not made. However, if the Planning Commission is able to make the required findings, staff is recommending the Conditions of Approval (Attachment B).

Alternatives

1. Approve the Special Development Permit with attached conditions.
2. Approve the Special Development Permit with modified conditions.
3. Deny the Special Development Permit and Tentative Map.
4. Direct staff as to where additional environmental analysis is required in lieu of the categorical exemption.

Recommendation

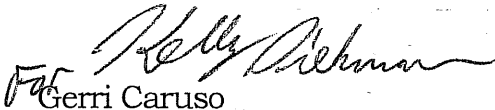
Recommend Alternative 3

Prepared by:



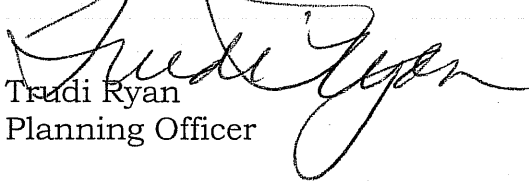
Kelly Diekmann
Project Planner

Reviewed by:



Gerri Caruso
Principal Planner

Reviewed by:



Trudi Ryan
Planning Officer

Attachments:

- A. Recommended Findings
- B. Recommended Conditions of Approval
- C. Applicant Info
- D. Parking Study
- E. Site Plan (see page 2 of Att. D)

Recommended Findings - Special Development Permit

Goals and Policies that relate to this project are:

Land Use and Transportation Element

Policy N1.3 Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the city.

Policy N1.13 Promote an attractive and functional commercial environment.

1. The proposed use attains the objectives and purposes of the General Plan of the City of Sunnyvale.

Finding not met. The requested deviation to the required parking standard would be detrimental to the shopping center operations and vehicular access to the commercial center by potentially increasing demand beyond supply. The result of overflow parking could include back ups onto public streets causing potential safety impacts and impacts to the general on-street parking supply of Corte Madera Avenue creating excessive activity and disturbance as well as inconvenience for the existing residential neighborhood west of the subject site.

2. The proposed use ensures that the general appearance of proposed structures, or the uses to be made of the property to which the application refers, will not impair either the orderly development of, or the existing uses being made of, adjacent properties as.

Finding not met. The additional restaurant square footage would create a supply deviation, which could impact the use of adjacent sites by inappropriately being used as overflow parking for customers to the commercial center. Additionally, as stated above, overflow of the on site parking could impact traffic safety and over utilize the general on-street parking supply on Corte Madera Avenue.

Recommended Conditions of Approval - Special Development Permit

In addition to complying with all applicable City, County, State and Federal Statutes, Codes, Ordinances, Resolutions and Regulations, Permittee expressly accepts and agrees to comply with the following conditions of approval of this Permit:

Unless otherwise noted, all conditions shall be subject to the review of approval of the Director of Community Development.

1. GENERAL CONDITIONS

- A. Project shall be in conformance with the plans approved at the public hearing(s). Minor changes may be approved by the Director of Community Development, major changes may be approved at a Planning Commission hearing.
- B. The Special Development Permit for the use shall expire if the use is discontinued for a period of one year or more.
- C. The Special Development shall be null and void two years from the date of approval by the final review authority at a public hearing if the approval is not exercised, unless a written request for an extension is received prior to expiration date.
- D. Any expansion or modification of the approved use shall be approved by separate application at a public hearing by the Planning Commission.
- E. Comply with all requirements of the original approved Special Development Permit.

2. COMPLY WITH OR OBTAIN OTHER PERMITS

- A. Obtain necessary permits from the Building Department for tenant improvements.

3. DESIGN

- A. Provide a site and landscape plan that includes a minimum of a four-foot wide pedestrian connection to Corte Madera Avenue along the existing driveway prior to issuance of building permits for tenant improvements for any new restaurant use.
- B. Site and landscape plan include a minimum of four Class II bicycle parking spaces are located functionally on the site.